

Workforce News



A publication of the Department of
Workforce Services

Wasatch Front North: Davis, Morgan, Weber

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What's in Your Wallet?

Pay – a topic that interests everyone. Pay is what we exchange for goods and services to live. It's important and people want to know what's in your wallet. I've taken a little different tack on this topic, now that I've got your attention. Let's talk about wages/pay in the three counties that comprise the

Wasatch Front North: Davis, Morgan, and Weber. Further, let's look at average wages in the counties by industry compared to the state average. Sure, I'll give you the average wage for Utah and the three counties, but how do the average "industry" wages here compare to the state as a whole – the state average?

First of all, know that the average wage in Utah in 2004 (the most current annual data available) was \$2,641 per month. That's about \$15.23 per hour. Not one of the counties had wages significantly higher than the state average. Surprised? Only Davis County with \$2,646 per month was higher, but not by much – five bucks – than the state average. Weber's average monthly wage in 2004

Wages in the Wasatch Front North



was \$2,412, about 9 percent below the state and Morgan County with \$2,138 per month, 19 percent below the Utah average.

Wages in the economy are determined by the economy. The number and availability of workers needed and type and mix of business activity (industry) are the prime determinates of wage structure. Wages in this discussion include money paid on a payroll including both hourly and salaried, and commissioned workers. Different industries pay different wages, all based on the demand and level of worker skill required, and the availability of workers. Labor markets with a surplus of skills needed by employers will see lower wages than in markets where employers

(continued on page 2)

Inside:

- ✦ Average monthly wage for the largest industries
- ✦ Job counts improve in Morgan county



Contact the
author, your
regional
economist,
with any
questions on
content:

John Mathews
801-526-9467
johnmathews@utah.gov

What's in Your Wallet?

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are clamoring for workers with skills that are in short supply. Employers will pay a premium to attract the available persons. Good old demand and supply, hard at work.

To study/present average wages by industry I've selected the largest five of the 11 major industry groups to discuss. Not that these 6 other industries are unimportant, but to simplify the analysis. These five account for about three-fourths of all workers in the three-county area. Also, these "larger" industries contribute about 80 percent of all the dollars in payroll. Look to the graph to follow the discussion.

Instead of a bunch of \$\$\$\$dollar\$\$\$

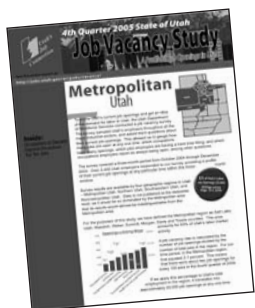
numbers running around the text I've decided to present the average wages by county and industry in terms of the relationship of the industry wage in the county to the average wage for that industry at the state level. With one exception the manufacturing industry pays the best in any of the three counties. The only exception is in government, in Davis County, due to pay at Hill Air Force Base (civilian employment). Weber County's IRS and Weber State University are the other exceptions in government.

In fact, in Davis County government is the only industry with wages above the state average. Weber County, although

having a county average less than Davis, did report wages exceeding the state average in manufacturing, healthcare, and private education services. Morgan County's manufacturing wages just equaled the state average but exceeded them in the wholesale trade, part of the trade, transportation, and utilities industry category.

All in all, this has been an interesting and enlightening comparison/analysis taking a peek at wages, and their relative position to the state average. Remember the laws of demand and supply for goods and services determine the level of demand, skills, and wages for workers in a local economy.

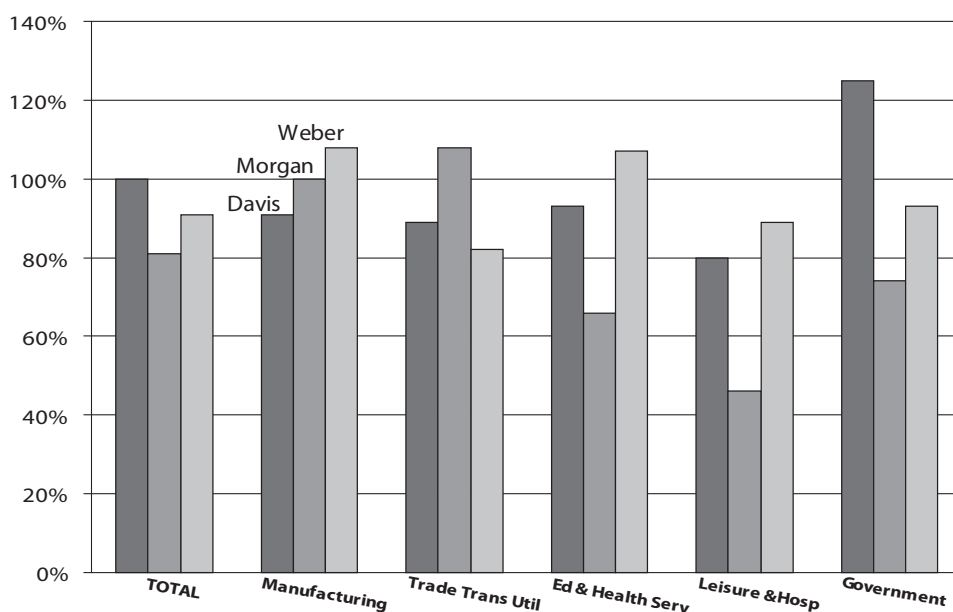
Check it Out



Want to see what the job vacancy rate is, what jobs are always open, what the average wage is for open jobs?

Find out all this and much more in our new Job Vacancy Study at <http://jobs.utah.gov/opencms/wi/pubs/jvs2005/>.

**Davis, Morgan, & Weber County
Average Monthly Wage as a Percent of the State Average Wage
For the Largest Industries* - 2004**



This analysis shows the wage comparison for the 5 largest (of 11) industry categories.
Source: Utah Dept. of Workforce Services, Workforce Information, Feb. 2005.

County News

Davis County: The economy in Davis County grew strongly through the third quarter of 2005. The new job growth rates for the months of July, August, and September were 2.2 percent, 3.3 percent, and 3.4 percent respectively. Good news. Also, accompanying the improving job counts was a declining unemployment rate later in the year. The December rate fell to 3.7 percent, down from 3.9 percent in November, and significantly down from the 4.6-percent rate in December of 2004. Over 3,200 new jobs were created in the September year-over comparison. Over 800 of those were in construction and 2,300 new positions in the service-producing sectors, primarily in professional and business services, where 1,500 new slots were added. Government, primarily local government, increased payrolls by about 600 in September. Spending in third quarter in Davis County surged by 11 percent from the same period in 2004. Additionally, construction activity jumped by 33 percent from the third quarter of last year. New dwelling permits also improved by 9 percent from 787 in 2004 to 848 in 2005. Every economic indicator for the county was strongly positive.

Morgan County: Job counts finally improved in September of 2005 after showing year-over declines in July and August. The new increase was small, only 10, but reflected a drop of 40 jobs in the construction and manufacturing sectors but an offsetting increase in the services-producing sectors of over 50. Industries gaining jobs were retail trade (15), financial activity (15), and professional and business services (22). Unemployment rates in recent months were declining. The December 2005 rate in the county was 3.8 percent, down from 4.2 percent in November, and way down from the 4.6-percent figure for December of 2004. Spending in the county was very positive in the third quarter comparison with 2004. Consumption was up 20 percent from 2004. Construction activity leapt by its two primary measures. New dwelling permits jumped by 48 percent, from 27 to 40 and dollar valuations improved by about 70 percent to \$9.4 million for third quarter 2005. The economy in Morgan County continues to grow.

Weber County: The economy in Weber County is improving at a strong pace. Through the third quarter, job growth increased each month: 2.3 percent in July; 2.9 percent in August; and 2.6 percent in September. This equates to the addition of over 2,000 new jobs per month, for each of the three months in the third quarter. In September 2,330 positions were added by the some 5,000 firms in the county. The new jobs also affected the unemployment rate. In December (2005), Weber County's rate of joblessness was 4.2 percent. This is down from the 4.5 percent in November and a real drop from the December 2004 rate of 5.6 percent. Although the job growth was not felt in manufacturing, which dropped about 100 jobs, construction created over 500. In the service-producing sectors over 1,800 positions were added. New job growth helped stimulate an 8-percent increase in spending. Construction, on the other hand, felt a small 6.5-percent decline in the dollar valuation activity. New dwelling permits, however, did increase by about 5-percent. Overall, the economy in Weber County is on firm ground and showing very positive improvement, especially in job creation.

What's Up?

✧ Davis County's poverty rate is still far lower than the state average. But it is on the increase, a report just released from the U.S. Census Bureau indicates. Poverty overall has jumped from 5.8 percent to 7.4 percent. That's still way below the state average of 10 percent.

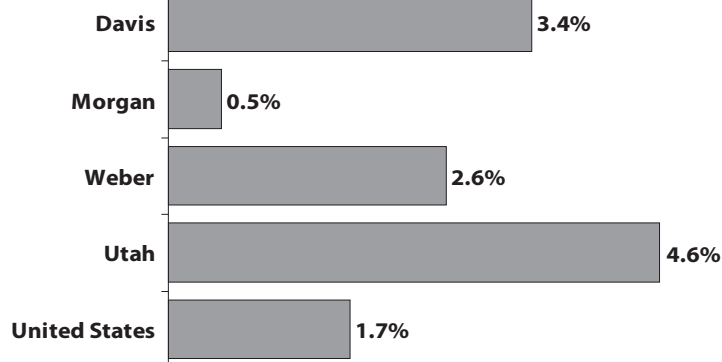
✧ The Utah Department of Transportation has awarded a \$182-million highway construction project to Weber County Construction, a joint venture between Ralph Wadsworth Construction and Granite Construction Co. The project, dubbed I-15 NOW (New Ogden Weber Expansion), involves reconstruction on I-15 from 31st Street in Ogden to 12th Street in Marriott-Slaterville.

✧ The first phase of a six-part residential subdivision in the south area of Farmington was approved after the city council, and the developer hammered out some details. Rice Valley Estates, a 98-lot neighborhood west of Interstate 15 and north of Glover's Lane to 700 South, was given the initial go-ahead.

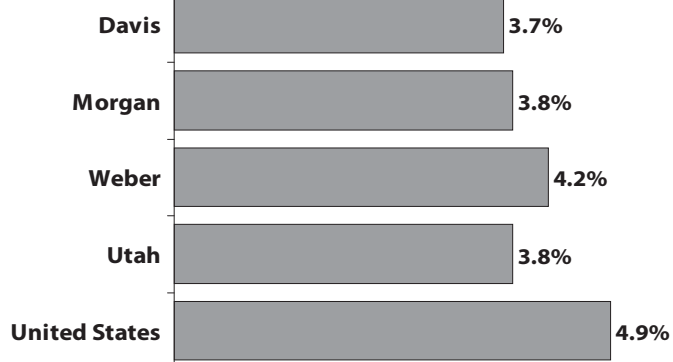
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Change in Wasatch Front North Nonfarm Jobs September 2004 to September 2005



Seasonally Adjusted Unemployment Rate Wasatch Front North December 2006



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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